THE INCOME GENERATION REPORT

Income-Generating Strategies to Help You Avoid the Perils of the Stock Market

- Why the advice of Wall Street gurus could cost you your financial future
- Income-generating strategies that can help you achieve consistent results

Look Inside to Help Secure a Better Financial Future

THE INCOME GENERATION:

What Everyone Over 50 Must Do Right Now to Help Secure Their Financial Future

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Portfolio failure is an unspoken crisis that is quietly decimating the dreams of countless people with the hopes of enjoying a more financially secure retirement.

The 50-year-old who invested in the stock market during the summer of 2000 and planned to retire at 65 may have had to let that birthday pass and continue working for a few more years. The reason? They followed the advice of the so-called financial experts who told them to invest a large part of their portfolio in the stock market.

From the summer of 2000 to the close of 2016, aspiring retirees earned an average of just 1.9% per year in stocks.[1] The expected return required to enjoy a more comfortable retirement may have been between 5% and 6%. What's worse is that while stock market investors were averaging returns of just 1.9%, the cumulative inflation rate was 39.4%.[2]

And, the problems keep mounting. Indications dictate that keeping interest rates low will only increase the likelihood of another stock market collapse. The crisis will only continue to grow as those planning to retire over the next 20 years discover the all-too-common reality of portfolio failure.

For every American born in or before 1970, there's what many consider a more secure, less stressful, and perhaps even more lucrative method of providing for yourself in retirement. If you are 50 years old or older, you're in the home stretch to retirement and you must protect what you have. The information contained in this report can help you do just that.

IS BLIND INVESTING REALLY THE BEST WAY TO GO?

Discarding 401(k) statements without looking at them is what some so-called "experts" advise investors to do. Some of them suggest that you should buy and hold and that you should always invest in the stock market. They say the stock market always goes up over time. So, looking at statements can only cause you to make an emotional decision not to hold.

Mutual fund companies are part of the clan that broadcasts this self-serving advice to their customers. They want you to own stocks or stock funds, hold them for a long time, and not let market swings bother you.

But, is covering your eyes and following along blindly really wise for anyone close to retirement?

WHY THE ADVICE COMING FROM WALL STREET GURUS COULD JEOPARDIZE YOUR FINANCIAL FUTURE

If you are a member of the group of investors born in 1970 or earlier, you can't afford to wait 20-30 years to recover from the natural downturns of the stock market. If you're part of this group, you've already had to endure your fair share of market corrections and downturns. And, if the stock market behaves in accordance with its long- and short-term cycles, it's going to take even more from you.

But this time, you don't have decades to heal from the financial damage. Americans born in or before 1970 are part of "The Income Generation." There are millions of people in this group, and they've been largely ignored by Wall Street, mutual fund managers, brokers, and, most certainly, Washington.

Even financial advisors with the best intentions have not yet grasped the idea that the advice they are giving is just parroting Wall Street. And, the story Wall Street wants you to swallow does not serve you well. The truth is their advice could end up costing you a big chunk of your assets as well as your financial security.

IF THE EXPERTS SAY THEY KNOW WHERE THE MARKET IS HEADED, YOU NEED TO WORRY

As a rule of thumb, if the so-called "experts" tell you they know where the market is going, you should worry. Here are a few examples:

- On March 11, 1996, the headline on the cover of U.S. News and World Report read "Investor Beware!" Reality: From March 1996 to the end of that year, the Dow gained 14.7%...the following year it gained 18.1%[3]
- In 1997, while the stock market was rising, Money magazine insisted that you "Sell Stock Now"
- Reality: The Dow rose for the next two years; 19.7% in 1998 and 20.7% in 1999.[3]
- On September 28, 1998, Fortune magazine felt so confident of a market decline that they warned readers with the ominous warning "The Crash of '98"
- Reality: Stock prices continued to rise until March of 2000.

From March of 2000 until October 2002, the stock market finally fell. The decline was the first wave down after the booming market of the '80s and '90s, and it took a large chunk of investors' portfolios and financial security with it.

It's important to note that it's not only the "trusted experts" in the print media who get it wrong. Let's look at how accurate CNBC's Jim Cramer is. If you aren't familiar with Jim Cramer, his nightly stock recommendation style includes shouting into the camera in a manner similar to the way a professional wrestler talks trash to his opponents.

The well-respected financial publication, Barron's, conducted a study of Jim Cramer's recommendations before the 2008 meltdown. They also looked at Mr. Cramer's recommendations in 2006 and 2007.

They concluded that his stock picks gained an average of 12%. Their studies showed that for the same exact period, the S&P outperformed Mr. Cramer's picks by 10%, averaging 22%. CNBC's stock guru was only about half as good as just passively investing in the index.[4]

Jim Cramer and other television personalities like him report with confidence and develop a following. What's remarkable is that their followers repeat what they've heard from their favorite TV "experts." They tell it to friends as though it's preordained. A quick Google search of each of these stock experts unveils an uncanny ability to be wrong. They keep their jobs because people watch, not because they have accurate insights or forecasts.

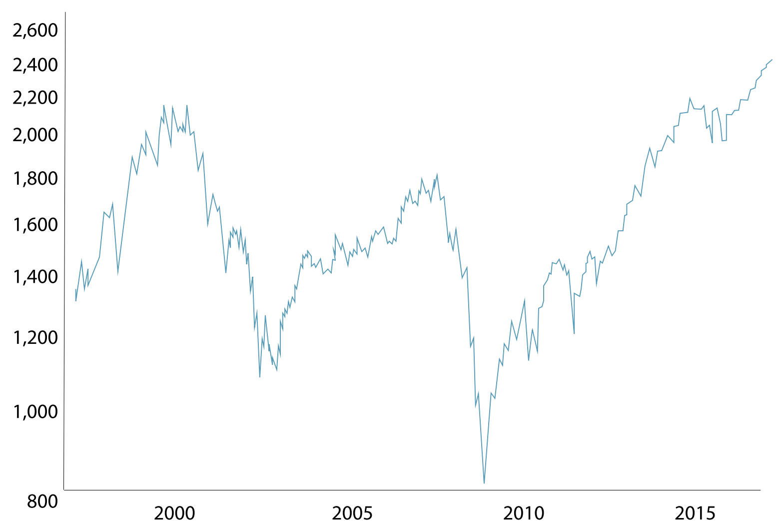
Meanwhile, there are people who successfully manage billions from Wall Street firms, banks, insurance companies, and corporations. These institutional investors don't discuss their successful strategies outside of their inner circle. Luckily for you, the advisors at Sound Income Strategies have identified some of the same fixed-income strategies these seasoned investors use to deliver consistent results — more on that later.

Many Americans who are part of The Income Generation are betting their very means of providing for themselves. The gamble they are making is that the 20-year cycle that began in 1997 will not follow 200 years of repeated stock market history and will not plummet for the next several years.

IF STOCKS WERE ONCE CONSIDERED TOO RISKY FOR THE PORTFOLIOS OF MANY CITIES AND STATES, WHY IS YOUR ADVISOR STILL RECOMMENDING THEM FOR YOU?

Did you know that for many years, investing in stocks was considered too risky for the pension fund portfolios of many cities, states, and countries? So risky, that it was expressly prohibited in most cases. Instead, municipalities had a list of acceptable investments. The list varied from state to state, but it usually comprised of fixed-income investments such as government bonds and high-quality corporate bonds.

S&P 500 Index through May 31, 2017



WHAT IF YOU COULD AVOID THE PERILS OF COMMON STOCKS ALTOGETHER?

If you are over the age of 50, The Retirement Income Store wants you to focus on what's best for you, without regard to the possible drop in stock prices that David Scranton's history-based

> *"If you are not willing to own a stock for 10 years, do not even think about owning it for 10 minutes."*
>
> — **Warren Buffett**, CEO of Berkshire Hathaway

research suggests. His most recent book, *The Retirement Income Stor-E: The Story behind The Launch of The Retirement Income Store*, explains why keeping interest rates low only increases the risk of a market drop occurring.

However, we believe that individual investors who put their money to work with the same purpose-based methods used by institutional investors could significantly reduce and possibly eliminate the need to invest in the stock market during retirement. This is good because the next bear market could leave the portfolios of those still investing in stocks in tatters.

LARGE FINANCIAL INSTITUTIONS STACK THE ODDS IN THEIR FAVOR AND NOW YOU CAN TOO

Large financial institutions develop investment policies that meet their purposes. They hire internal portfolio managers and research analysts with top-tier experience and education and provide them with state-of-the-art analytical tools, access to markets, and research capabilities.

After they stack the odds in their favor, they have another little-known method that almost assures certainty of outcome. And, it's not difficult to implement this proven method, you just need to know about it. But, most people don't know about this powerful method.

The big banks, insurance companies, and members of corporate America that use this method have no reason to talk about it. In fact, these are among the brightest minds in money management. They don't invest client money; they invest the money of huge financial organizations and institutional entities.

> *"People are having longer lifespans, while their money is having a shorter lifespan. It's not sustainable. They need a plan that can keep their savings healthy too."*
>
> — **David J. Scranton**, CLU®, ChFC®, CFP®, CFA, MSFS

KNOW, WITH GREATER CERTAINTY, WHAT YOUR FINANCIAL FUTURE HOLDS

Investing in income-generating securities is similar to lending your money to the largest U.S. companies that pay you regularly scheduled interest. In the case of bonds, at the end of the loan term, they will send you the last interest payment along with the return of your original principal. assuming there are no defaults.

By owning predominantly income-generating securities, you can know, with greater certainty, what your financial future holds. Other markets such as common stocks and mutual funds — including bond funds — don't offer much certainty.

START USING THE SAME METHODS THAT INSTITUTIONAL INVESTORS USE TO HELP ENSURE A STEADY STREAM OF INCOME

Most of our clients report an immediate sense of comfort when they visit a Retirement Income Store. That's because we're not looking to impress our clients with custom-made suits, mahogany walls, or gaudy statues of a bronze bull on our desks.

We prefer to impress our clients by offering the more predictable outcomes that large financial institutions enjoy. That's why we've invested heavily in technology that provides the kind of service and results known mostly at firms worth billions. We've invested in state-of-the-art software and computer programs that scour the databases of hundreds of firms filtering for well-suited investments at institutional pricing levels.

Our team includes portfolio managers who hold the highly esteemed Chartered Financial Analyst designation. They're armed with cutting-edge analytical tools, access to markets, and research capabilities.

Our confidence comes from knowing that what we're doing is right for The Income Generation and others we serve. We're staffed with fixed-income and portfolio specialists who have succeeded at top-tier firms.

The goal is to provide you with a portfolio that is best suited to your individual needs. Our mission and all our actions focus on that goal. We know we best serve our clients by investing in technology and research instead of high-back leather chairs.

RIGHT NOW IS A CRITICAL TIME FOR BUILDING AND PRESERVING YOUR NEST EGG

If you were born in or before 1970, you've lived through the greatest stock market in history as well as some of the biggest declines the market has seen. You've also learned that good times don't always last.

The Retirement Income Store's office in Fort Lauderdale is located a few miles from the Atlantic Ocean. Our office sits on the top floor of an unassuming building with a view of the blue waters of the Atlantic off in the distance.

Port Everglades, one of the world's most active shipping and cruising seaports, opens out to the Atlantic just a few miles south of us. On clear days, large ships are visible on the horizon as they line up and wait to enter the port.

It's interesting that the captains of these large ships have been able to safely navigate their ships through thousands of miles of sometimes treacherous waters only to hand over control of their ships to a harbor pilot for those last few critical miles into the harbor.

The harbor pilot is a boat captain who is a specialist in the specific harbor from which they work. It's their job to gain experience and to know the specific dangers of their home port.

Because the last few miles are filled with dangers that are virtually invisible to the untrained eye, the ship's captain brings the harbor pilot onboard and hands over control of the ship to this specialist. Bringing a harbor pilot aboard who is familiar with the hidden dangers that lie ahead allows each ship to reach the harbor safely with their valuable cargo intact.

It's similar for anyone who is in or near retirement. So far, you've managed to navigate your portfolio through decades of uncertain markets. Now, with so much on the line, it's time to bring a specialist aboard who is very familiar with the risks that lie ahead.